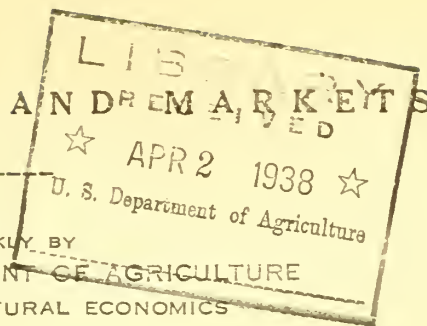


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FOREIGN CROPS AND MARKETS

ISSUED WEEKLY BY
UNITED STATES DEPARTMENT OF AGRICULTURE
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L A T E C A B L E S . . .

Algeria area sown to grain for the 1938 harvest reported as follows with 1937 comparisons in parentheses: Wheat 4,083,000 acres (4,311,000), barley 2,822,000 (3,093,000), oats 479,000 acres (477,000). (International Institute of Agriculture, Rome.)

Southern Brazil cotton, first estimate for 1937-38 places crop at 1,414,000 bales of 478 pounds net compared with 1,201,000 bales in 1936-37. (American consulate general, Rio de Janeiro.)

European fruit crop developing abnormally early because of fine weather. Plums in full bloom, pears in cluster-bud stage, and apple trees showing blossom buds in England, Holland, and western Germany. Trees in eastern Germany less forward but advancing rapidly. Growers are apprehensive that late frosts will severely injure crops. (London and Berlin offices of the Bureau of Agricultural Economics.)

London colonial wool sales, second series for 1938, continuing with general tone of market good in crossbreds, hesitating in merinos. Values in general have recovered most of decline at opening of sales on March 15. Compared with prices at closing of preceding series on February 3, greasy and scoured merinos, fine greasy crossbreds, and fine scoured crossbreds were 5 percent lower, medium and low greasy crossbreds were at par, medium and low scoured crossbreds were par to 5 percent lower, and slipes of all descriptions were mostly at par. Chief buyers of merinos were from Germany, Austria, France, Belgium, and Yorkshire, and of crossbreds from Yorkshire and the Soviet Union. (Agricultural Attaché C. C. Taylor, London.)

CORRECTION: -- In last week's issue page 154, next-to-the-last paragraph, second sentence should read: "These importations were made possible by the export plan of the California Intra-State Marketing Agreement."

BREAD GRAINS

The oriental wheat situation

Wheat production in the Orient in 1938 probably will not exceed the small crop of last season, according to the Shanghai office of the Bureau of Agricultural Economics. It now appears that the Japanese crop will be in the neighborhood of the large 1937 harvest, and some increase is indicated in Manchuria. The Chinese acreage is expected to be about 10 percent smaller this year; therefore, unless yields are above average, the crop is not likely to be larger than that of 1937. The carry-over into the new season will be below average because of the small 1937 crop, which was, however, offset to some extent by decreased consumption.

Unsettled conditions make prospects for imports into the Orient during the coming season very uncertain. A great deal depends upon the 1938 crop of China and the state of communication and transportation facilities in the interior. Some increase over the small takings of 1937-38 should result from the rehabilitation of Chinese flour mills and limited arrivals of domestic wheat. The most outstanding development of the present season has been the increase of flour imports from Japan into China, caused by the disruption of domestic wheat arrivals and milling activity at Shanghai. Total wheat imports into the Orient during 1937-38 are now estimated at 4,900,000 bushels as against 8,216,000 bushels in 1936-37. Imports of foreign flour are placed at 476,000 barrels compared with 752,000 barrels during last season.

Manchuria

Should weather conditions prove favorable, the 1938 wheat crop of Manchuria is expected to reach about 44,000,000 bushels, compared with 39,636,000 bushels harvested in 1937. Government encouragement and high prices received for the current crop make it probable that farmers will cooperate in the 5-year plan for increased production of wheat. Farm returns in 1937 are said to have been the highest in many years, and rural purchasing power has thereby been increased. Domestic consumption appears to be increasing even with higher prices, and wheat stocks at milling centers on December 31, 1937, were estimated to be 40 percent lower than on the corresponding date of 1936, in spite of the larger 1937 harvest.

Wheat exports during July-December of this season amounted to only 258,000 bushels as against 449,000 bushels in 1936. Most of the wheat exported has gone to Japan, but a small quantity was shipped to Chosen. With the expansion in the domestic flour-milling industry, imports of flour into Manchuria are declining; the totals reported for July-December 1937 and 1936, respectively, were 371,000 and 880,000 barrels. Flour mills have been quite active this season as a result of heavy domestic demand and some exports to North China, but small stocks of wheat may curtail activity during the remainder of the season.

China

Hostilities in important wheat-producing Provinces interfered with seedings for the 1938 crop, and it is believed that the total acreage is at least 10 percent below that of last season, when about 43,000,000 acres were reported. Weather conditions this season have been favorable for the growing crop; if they continue so, it is possible that the 1938 harvest may equal that of last year, when drought at seeding time and excessive rains near the end of the growing season resulted in low average yields. The supply of wheat in the vicinity of Shanghai is expected to be materially smaller this year, since fighting in this region caused a reduction in the acreage.

Wheat stocks are reported to be low in marketing centers of China, and the carry-over into 1938-39 is expected to be about 10 percent below normal. The commercial output of flour for this season probably will be less than half that of 1936-37. Shanghai mills until recently have been operating at a greatly reduced capacity because of limited wheat supplies and inability to make shipments of flour to North China. Mills in many other regions are idle. Wheat imports have been negligible this season. Imports of flour during July-January amounted to 242,000 barrels compared with 166,000 barrels in 1936-37. If shipments by Japan and Manchuria into North China were included, the July-January figure would be about 1,293,000 barrels and the total estimate for 1937-38, about 1,800,000 barrels. Total flour imports in 1936-37 amounted to only 280,000 barrels.

The wheat and flour situation at Shanghai improved somewhat during the month ended March 15, as a result of larger arrivals of domestic wheat from war-affected areas and an increased demand for flour, which can now be shipped to North China. Flour stocks were estimated at 500,000 bags but wheat stocks at only about 567,000 bushels. Domestic wheat was quoted at 88 cents per bushel. Domestic flour was \$1.24 per bag of 49 pounds and Australian flour, c.i.f. Hong Kong, \$4.34 per barrel of 196 pounds. No wheat was imported into China during December, but 40,000 barrels of flour were brought in from overseas, of which Australia and the United States supplied 19,000 and 15,000 barrels, respectively.

Lithuania lifts embargo on rye exports

The embargo on exports of rye from Lithuania, which became effective October 22, 1936, was lifted on January 8, 1938, it is reported by the United States Consul at Kaunas. This action was taken when a recent estimate revealed that the 1937 rye crop was considerably larger than had previously been indicated, because farmers had withheld their surplus stocks from the market longer than usual in anticipation of a rise in price. The outturn, now placed at 23,824,000 bushels, is over 2,000,000 bushels larger than the 1936 crop. Domestic consumption is officially estimated at about 18,500,000 bushels but is thought to approach

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21,000,000 bushels, according to the consulate, which would leave only a small surplus for export this season. The monopolistic organization handling exports of grain is said to be receiving 12 litas per centner (about \$1.04 per bushel) for export rye, for which it pays 8 litas (69 cents) to the producer. Because of the comparatively poor crops of wheat and oats, the embargo on exports of these grains has not been removed.

COTTON

Japan to permit larger cotton imports

The Japanese Department of Commerce and Industry has decided to permit the monthly importation of approximately 238,000 bales of 500 pounds each of raw cotton, effective April 1, according to a report from American Consul Kenneth C. Krentz at Osaka, forwarded by the Shanghai office of the Bureau of Agricultural Economics. It is understood that this decision has been taken because of the decline in exports of cotton cloth and disrupted conditions in the industry resulting from the serious shortage of raw cotton. There is no indication, however, that provisions for the mixing of staple fiber in textiles for domestic use will be relaxed.

The severeness of the import restrictions relating to raw cotton during recent months may be judged by the fact that imports from September to February of the current season have totaled only 599,786 bales, compared with 2,166,000 bales during the corresponding months of last season. It is reported that arrangements with American and Indian shippers for settlement at, or shortly after, arrival of cotton at Japanese ports are operating satisfactorily.

If import permits are granted in the amounts now indicated for the coming months, it is anticipated that total imports for the 1937-38 season will be approximately 2,000,000 bales. With a heavy carry-over of raw cotton at the beginning of the current season, it is estimated that total consumption may slightly exceed 3,000,000 bales.

Cotton-yarn production for February totaled 205,000 bales of 400 pounds, and production of mixed cotton and staple-fiber yarns totaled 72,000 bales. These figures compare with the February 1937 production of 330,000 bales of cotton yarn and no mixed yarns.

Exports of cotton piece goods in February totaled 182,800,000 square yards, an increase of about 20,000,000 square yards over January exports. They were, however, about 10 percent below February 1937 exports.

The Japanese textile industry is reported pessimistic concerning the outlook for the near future. Rising manufacturing costs and increased taxation have contributed to this viewpoint, as have price uncertainties

and declining demand in export markets. The textile export situation is causing concern to the Government because of its effects on the country's balance of payments and the employment situation. It is reported that further measures to encourage exports are under consideration.

JAPAN: Warehouse stocks of raw cotton, February 1938, with comparisons
(In bales of 500 pounds)

Growth	1937	1938	
	February	January	February
	Bales	Bales	Bales
United States.....	299,000	20,637	19,533
Indian.....	134,000	14,975	40,503
Egyptian.....	13,000	2,261	2,890
Chinese.....	10,000	5,832	20,590
Brazilian.....	1,000	10,442	4,925
Other.....	35,000	13,111	9,505
Total.....	492,000	67,258	97,945

Estimates from trade sources in Japan.

JAPAN: Raw cotton imports, February 1938, with comparisons
(In bales of 500 pounds)

Growth	February		September-February	
	1937	1938	1936-37	1937-38
	Bales	Bales	Bales	Bales
United States.....	77,000	65,653	627,000	167,303
Indian	218,000	70,004	615,000	130,047
Egyptian.....	30,000	8,162	106,000	27,409
Chinese.....	24,000	35,921	134,000	52,295
Brazilian.....	1,000	330	120,000	101,791
Other.....	28,000	10,517	162,000	50,941
Total	378,000	190,587	2,166,000	599,786

Based on Japanese official and trade sources.

Chinese cotton-mill activity increases

Mill activity in China has increased somewhat during the past month, according to a cablegram from American Agricultural Commissioner Owen L. Dawson at Shanghai. Present operations are equal to about 45 percent of the country's total mill capacity, and consumption of raw cotton during the month is estimated at about 95,000 bales, as compared with a monthly average of about 220,000 bales last season.

Stocks of foreign cotton in Shanghai warehouses were reported to be negligible, while stocks of Chinese growths were estimated not to exceed 30,000 bales of 500 pounds. Forward commitments for foreign cotton are reported to be about 10,000 bales, and arrivals of Chinese cotton continue in small volume.

Spot yarn prices at Shanghai advanced sharply because of keen demand from South China ports, especially Canton. Domestic cotton prices showed a smaller increase than yarn prices. Chinese Standard raw cotton for immediate delivery was quoted, on March 11, at 9.65 cents per pound compared with 8.99 cents per pound on February 12. Indian Akola, for immediate shipment, was quoted at Shanghai on March 11 at 10.64 cents and American Middling 7/8 inch at 12.94 cents per pound.

Exports of Chinese cotton increased to 12,472 bales in January against 3,975 bales in December, but were substantially below the figure of 34,699 bales for January 1937.

CHINA: Imports of raw cotton in January 1938, with comparisons
(In bales of 500 pounds)

Growth	January		October-January	
	1937	1938	1936-37	1937-38
	Bales	Bales	Bales	Bales
American.....	2,234	1	4,291	1
Indian.....	1,347	2,588	3,373	3,335
Egyptian.....	4,078	74	10,254	74
Other.....	1,754	1,041	13,253	1,412
Total.....	9,413	3,704	31,171	4,822

Shanghai office, Bureau of Agricultural Economics.

Cotton textile situation in continental Europe

The first half of the 1937-38 cotton season has been slightly less favorable for the European cotton industry than was expected at the beginning of the season, according to the Berlin office of the Bureau of Agricultural Economics. The industry, over most of Europe, has experienced a tendency to decline in new mill business and occupation throughout the 6 months, and it now looks as if 1937-38 mill consumption of raw cotton in Europe would fall short of that in the good year 1936-37.

This tendency toward recession in new sales on both domestic and export markets, followed by a decline in mill occupation, has been the result of the adverse developments in general economic conditions in the world at large. In countries such as Germany and Italy, these outside influences have not as yet been felt to any great extent in the general operations of the cotton industry; but even in these countries the greatly expanded export business has apparently started to decline. Occupation in the German and Italian cotton-textile mills remains rather favorable, although on a basis which involves increasing substitution of artificial fibers for raw cotton. The higher takings of raw cotton by Germany during the first half of the current season have not prevented a

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further decline in the share of raw cotton in total German consumption, since there has been, simultaneously, a considerable expansion in the utilization of cell-wool by spinning mills.

Europe as a whole probably consumed less raw cotton during the first half of 1937-38 than in the first half of 1936-37; but, as a result of the improved competitive position of American cotton, consumption of it alone is likely to compare favorably with last season. While February developments - mainly the new legislation in the United States - brought a sharp rise in cotton prices, the advance in non-American cotton during the month was almost as great; therefore the competitive position of American cotton at the end of the month had not changed significantly compared with that of a month earlier, and American cotton continued to be much cheaper in relation to competitive growths than it was a year ago. This is one hopeful aspect of the situation at the beginning of the second half of 1937-38.

With regard to the outlook for the second half of the current season, the opinion seems to be almost universal that, as far as the cotton industry is concerned, improvement depends largely upon termination of the current lull in general economic conditions. This, of course, is a highly obscure problem, in which political and psychological factors are as much involved as are economic. Under the circumstances, however, the relatively attractive level of raw-cotton prices and the reassuring price outlook should tend to sustain cotton-mill activity, even though it may be subject to depressing influences in the development of general business and world trade. On the other hand, it should be recognized that, under present conditions, there is not much incentive for the European cotton trade or for manufacturers to indulge in speculative purchases of cotton.

TOBACCO

Tobacco production in Argentina

The policy of producing foreign types of tobacco to serve as substitutes for imported leaf is being emphasized in Argentina, and some changes are thus taking place in the Argentine crop, according to a report from Agricultural Attache P. O Nyhus at Buenos Aires. Several years ago, the Argentine crop consisted almost exclusively of native air-cured and sun-cured types. While these types still make up the bulk of the production, fire-cured, flue-cured, Maryland, and Burley have been introduced from the United States and Bahia varieties from Brazil.

Potential expansion in seed types from the United States

In 1936-37, foreign types represented 13 percent of total production. See table, page 176: No estimate is yet available as to the volume

of the 1937-38 crop now growing; but, although the total area planted was reduced by one-fourth, the area in foreign types was almost doubled. United States seed types were planted as follows: Kentucky fire-cured, 1,831 acres; Virginia flue-cured, 699 acres; Maryland, 460 acres; and Burley, 146 acres.

Kentucky fire-cured is produced in the Territory of Misiones. It is used in Argentina in the manufacture of Toscano cigars, the consumption of which is relatively great owing to the Italian origin of a considerable percentage of the population.

It has been possible to secure fairly good color in flue-cured types produced in Argentina, but the aroma and flavor of the imported leaf are lacking. The Provinces of Salta and Tucuman have been found most suitable for flue-cured varieties. A crop of 335,000 pounds was harvested in 1936-37; and, with average growing conditions, the current crop will be double that amount. Several factors, however, combine to limit the development of flue-cured production in Argentina. The investment required for the construction of flue-cured tobacco barns may restrict the number of growers. Great skill and care are required to secure good flue-cured grades. Some farmers have not been successful in this respect. The question of price also enters. Prices paid for flue-cured leaf in 1937 ranged from 30 centavos to 2.50 pesos per kilogram (4.5 cents to 37.4 cents per pound). Farmers must receive an average price of 1.20 to 1.30 pesos per kilogram (17.9 to 19.5 cents per pound) to keep them interested and to maintain production at the present stage. Moreover, the growing of special crops, particularly pimientos, offers considerable competition to the production of flue-cured tobacco.

Improvement of dark air-cured types

The dark air-cured types, amounting to about three-fourths of the total crop, have been grown for a long time in Misiones and Corrientes. The quality of these types is such that they are used in the cheapest grades of cigarettes, cut tobacco, and cigars. Leaf prices are very low (about 5 cents per pound for Class II), and the economic condition of the growers is not favorable. The Argentine Ministry of Agriculture has recently created a special Tobacco Division, which will undertake, among other things, to improve the quality of the native leaf produced in Misiones and Corrientes.

Deficient moisture in United Kingdom leaf-tobacco imports

Several times recently, leaf-tobacco imports from the 1937 tobacco crop have been found by British customs officials to have a moisture content of less than 10 percent, although the customs declaration by

the importer specified tobacco having 10 percent or more moisture content, according to reports from the London office of the Bureau of Agricultural Economics.

The general rate of import duty on leaf tobacco with a moisture content of 10 percent or more imported into the United Kingdom is 1 shilling (approximately 25 cents) per pound less than that on leaf tobacco with less than 10 percent moisture content. Consequently, it is to the importer's advantage that the leaf at time of importation have a moisture content slightly above 10 percent, but in no case less than 10 percent, in order to avoid the higher duty and the possible penalties for false declaration.

Similar cases of deficient moisture content of United Kingdom imports of leaf tobacco have been reported by the Canadian Trade Commissioner, whose report from London appears in the February 26, 1938, issue of the Commerce Intelligence Journal. The following excerpt from his printed report is quoted: "The full penalty for wrongful declarations of moisture is complete forfeiture of the tobacco and a fine of treble the amount of duty, but as far as is known this penalty has not yet been imposed. In most instances, the authorities have notified the importers that the tobacco in question may not be entered and must be immediately reexported. It is probable, however, that if conditions are not remedied the full penalty will be applied whenever the regulations as regards moisture are contravened."

FRUITS, VEGETABLES, AND NUTS

French imports of American apples and pears far below quota

French imports of apples and pears from the United States in the 7-month period July to January of the present season were 8 percent below those of the corresponding period of 1936-37, according to a communication from the Paris office of the Bureau of Agricultural Economics. The decline was due to greatly reduced pear imports (177,500 bushels compared with 256,000 bushels), whereas apple imports for this period were considerably above those of a year earlier (164,500 bushels as against 116,000 bushels).

Although imports are much heavier in the period February through June, the total this year is not likely to reach the 1,199,000 bushels imported in 1936-37. Indications are that reduced purchasing power has affected the demand.

The United States has a quota of 393,780 quintals (about 1,772,000 bushels) of apples and pears. Imports last season amounted to only 68 percent of this quantity. Another factor that is said to be reducing imports is the lack of American apples that can pass the rigid sanitary requirements of France.

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Utilization of the 1937 Nova Scotia apple crop

The 2,400,000-barrel crop of apples produced in Nova Scotia in 1937 is second only to the 1933 crop of 2,428,000 barrels, reports Hugh S. Miller, American consul at Yarmouth. Most of the crop was exported to the United Kingdom. About 700,000 barrels went to processing plants to be evaporated or canned. The quantity processed was the largest on record. In 1936, when 569,000 barrels were made into byproducts by the 10 factories in the Province, the output amounted to over 2,000 short tons of dried apples and 190,000 cases of canned apples. Indications are that these figures were exceeded in 1937.

Exports of Italian lemons lagging

The harvest of lemons in Sicily during January fell considerably below the quantity harvested in January 1937, according to Paul J. Revelly, American vice consul at Palermo. The decline is due to the slow demand for lemons in the European market and the high price of culls. Lemons are in great demand as a preventive and cure for colds and influenza in Europe. Since these respiratory troubles have been less prevalent during the mild winter weather experienced this year, demand has fallen off. Large quantities of lemons are expected to go to the byproduct plants as soon as growers become convinced that they cannot be sold at higher prices in the fresh-fruit markets.

Cuban vegetable exports increase

Substantial increases in exports of tomatoes, eggplant, peppers, and lima beans in February brought total shipments of Cuban winter vegetables to the United States to 11,315 short tons compared with 10,555 tons the preceding month and 7,698 tons in February 1937, according to a communication from Harold S. Tewell, American consul at Habana. As a result of the heavy volume of exports during the past month, total shipments to 32,813 tons to American markets so far during the present crop year (beginning November 1, 1937) have exceeded by almost 1,000 tons exports during the corresponding period in the record crop year of 1935-36.

Vegetable shipments from Mexican West Coast declining

Shipments of winter vegetables from Mexico to the United States through the port of Nogales in the last half of February amounted to only 91 cars compared with 155 cars in the same period of 1937 and with 249 cars in the corresponding period of 1936, states a communication from Thomas M. Powell, American vice consul at Nogales. Exports consisted largely of tomatoes and green peppers. Only two cars of green peas were shipped. The decline in shipments is apparently due to low prices in the United States and Canada.

Total exports from November to February, inclusive, are larger however, than the movements in the corresponding periods of 1936-37 and 1935-36. A total of 1,132 cars of vegetables moved through Nogales in these 4 months compared with 1,017 cars last season and 963 cars in 1935-36.

Considerable quantities of tomatoes and peppers remain. What part will be shipped depends upon prices in the United States. Unless prices improve, exports of tomatoes during the remainder of the season will be small. At irregular intervals during the present season (1937-38), operators on the West Coast of Mexico realized handsome profits from exports of tomatoes but, taken as a whole, this season has proved to be one of the most unprofitable in many years. Both growers and shippers have incurred heavy losses. From a financial standpoint, the trade in green peas has also been a failure this season.

INTERNATIONAL TRADE IN COTTON

World cotton trade during the first 6 months of the current season is notable particularly for the 62-percent decline in British Indian exports below those of the first half of last season. A rise of United States exports by 506,000 bales offset some of this decline; but the total for the six leading exporting countries was more than 500,000 bales less than last year, and over a million bales below the average of the 10 years ended 1932-37.

The United States share of total world cotton exports thus far this season, rose to 64 percent, while that of British India fell from 21 to 9 percent. The share of each, however, was below the corresponding 10-year average. Those of Brazil and Egypt, on the other hand, have risen.

British India: Much of the above-mentioned decline in sales of British Indian cotton was due to an 80-percent drop in shipments to Japan from the high level of last year (when Japan appears to have been stocking up in preparation for hostilities). Decreased purchases by Japan should have left an abundant supply of Indian cotton available to other purchasers; yet, shipments to most other major markets also decreased. Those to Italy fell 39 percent, to the United States 42 percent, to Belgium 41 percent, and even the low figure of 64,000 bales sent to Germany during the first half of last season declined to 50,000 bales for the current period. Bureau cotton experts attribute this decline in purchases by countries other than Japan mainly to four factors: (1) The large American cotton crop, (2) the current depression in the world textile market, (3) the increased activity of Indian mills, and (4) a decrease in commercial supplies of cotton in India.

United States: American cotton exports were up 14 percent for the August-January period this year from the same period last season. Exports to the United Kingdom increased to 1,272,000 bales, a gain of 62 percent

INTERNATIONAL TRADE IN COTTON, CONT'D

over last year and 4 percent over the 10-year average. This increase, in combination with smaller increases to most other European markets, more than offset the decrease of 713,000 bales, or of 75 percent, in exports to Japan. Of the 241,000 bales exported to Japan so far this season, 115,000 bales, more than the combined exports of the 4 preceding months, was sent in January.

Egypt: Exports from Egypt stood at 1,008,000 bales, approximately the same as for the first half of the 2 preceding years. When compared with the 1923-24 to 1932-33 average, however, exports were up 12 percent. Exports to Japan, the United Kingdom, and the United States were lower, but all other important markets increased their takings.

Brazil: In the 6 months ended January 31, Germany greatly increased her takings of Brazilian cotton. All other important foreign markets were taking less, and total exports were not appreciably changed.

Peru and Argentina: Exports from Peru amounted to 185,000 bales, second only to the peak reached in 1935-36 when 208,000 bales were exported. Argentina, however, has exported only 15,000 bales so far this season, all of which left the country in the first 3 months, August-October.

COTTON: Summary of world exports, average, August-January, 1923-24 to 1932-33 and 1934-35 to 1937-38

Exporting countries	Quantity				
	Average 1923-24 to 1932-33	1934-35	1935-36	1936-37	1937-38
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
United States ..	5,288	3,003	4,217	3,600	4,106
British India..	1,066	1,002	997	1,471	564
Egypt.....	827	915	1,042	1,054	1,008
Brazil.....	66	407	298	426	a/ 487
Peru.....	120	165	208	180	185
Argentina.....	40	66	95	109	15
Total.....	7,407	5,558	6,857	6,900	6,365
	Percentage of total				
	Percent	Percent	Percent	Percent	Percent
United States..	71	54	62	52	64
British India..	14	18	15	21	9
Egypt.....	11	16	15	15	16
Brazil.....	1	7	4	7	8
Peru.....	2	3	3	3	3
Argentina.....	1	2	1	2	b/
Total.....	100	100	100	100	100

Compiled from official sources. a/ Exports for January estimated at 45,000 bales. b/ Less than 0.5 percent.

INTERNATIONAL TRADE IN COTTON, CONT'D

COTTON: Destination of exports from the principal exporting countries, average 1923-24 to 1932-33 and seasons 1935-36 to 1937-38 a/

Destination of exports from principal exporting countries	August-January							
	Quantity				Percentage of total			
	Average 1923-24 to 1932-33	1935-36	1936-37	1937-38	Average 1923-24 to 1932-33	1935-36	1936-37	1937-38
Exports from the United States to	1,000 bales	1,000 bales	1,000 bales	1,000 bales	Percent	Percent	Percent	Percent
Germany*	1,254	513	414	591	24	12	11	14
United Kingdom ..	1,227	958	785	1,272	23	23	22	31
France	619	531	556	664	12	13	16	16
Italy	430	225	210	357	8	5	6	9
Spain	195	145	b/	0	4	3	c/	0
Belgium	122	123	114	144	2	3	3	4
Netherlands	92	50	60	95	2	1	2	2
U.S.S.R.								
(Russia) d/...	67	0	1	b/	1	0	c/	c/
Sweden	41	57	56	66	1	1	2	2
Portugal	26	42	23	22	c/	1	1	1
Poland & Danzig	12	181	124	150	c/	4	3	4
Other Europe ...	33	65	74	142	1	3	1	2
Total Europe ..	4,125	2,895	2,427	3,503	78	69	67	85
Canada	121	154	172	153	2	4	5	4
Japan	828	1,108	954	241	16	26	26	6
China	181	32	10	b/	3	1	c/	c/
British India ..	26	7	4	131	1	c/	c/	3
Other countries.	9	21	33	73	c/	c/	2	2
Total	5,288	4,217	3,600	4,103	100	100	100	100
British India to								
Japan	516	521	943	192	48	52	64	34
Italy	132	51	72	44	12	5	5	8
China	97	8	6	32	9	1	c/	6
Belgium	79	65	95	56	7	6	6	10
Germany	77	86	64	50	7	9	4	9
United Kingdom ..	63	145	166	86	6	15	11	15
France	50	40	38	24	5	4	3	4
Spain	22	23	b/	b/c/	2	2	c/	c/
Netherlands	14	11	18	e/ 9	1	1	1	2
Other countries	16	47	69	71	3	5	6	12
Total	1,066	997	1,471	564	100	100	100	100

* Includes shipments through the free port of Bremen, much of which is afterward reshipped to other countries. According to German official trade returns, imports of American cotton for consumption in Germany amounts to 184,000 bales in August-January, 1937-38; 95,000 bales in 1936-37; and 271,000 bales in 1935-36.

INTERNATIONAL TRADE IN COTTON, CONT'D

COTTON: Destination of exports from the principal exporting countries, average 1923-24 to 1932-33 and seasons 1935-36 to 1937-38

Destination of exports from principal exporting countries	August-January							
	Quantity				Percentage of total			
	Average 1923-24 to 1932-33	1935-36	1936-37	1937-38	Average 1923-24 to 1932-33	1935-36	1936-37	1937-38
Exports from	1,000	1,000	1,000	1,000				
Egypt to	bales	bales	bales	bales	Percent	Percent	Percent	Percent
United Kingdom..	337	335	386	331	41	35	37	33
France	108	143	105	149	13	14	10	15
United States...	94	32	38	23	11	3	4	2
Germany	55	92	70	113	7	9	7	11
Italy	54	68	52	65	6	7	5	6
Japan	38	64	137	37	5	6	13	4
Switzerland.....	38	35	45	50	5	3	4	5
U.S.S.R.								
(Russia)	27	f/	f/	f/	3	---	---	---
Spain	26	57	0	b/	3	5	0	c/
Czechoslovakia ..	17	41	42	32	2	4	4	3
British India ..	11	39	54	84	1	4	5	8
Poland & Danzig.	6	20	17	18	1	2	2	2
Other countries	16	86	108	106	2	8	9	11
Total	827	1,042	1,054	1,003	100	100	100	100
August-December								
	Average 1923-24 to 1932-33	1935-36	1936-37	1937-38	Average 1923-24 to 1932-33	1935-36	1936-37	1937-38
Brazil to								
Germany		153	130	223		60	30	51
United Kingdom ..		51	153	98		20	35	22
Japan		1	65	55		c/	15	12
France		15	17	16		6	4	4
Portugal		6	6	15		2	1	3
Poland		1	9	3		1	2	2
Netherlands		13	14	7		5	3	2
Belgium-Luxem ..		10	11	7		4	3	1
Italy		4	19	4		2	4	1
Other countries		b/	11	9		c/	3	2
Total	g/ 56	254	435	442	100	100	100	100

a/ Bales of 478 pounds net except for the United States which are in bales of 500 pounds gross. b/ Less than 500 bales. c/ Less than 0.5 percent. d/ Beginning January 1, 1935, includes Russia in Asia. e/ Six months, August-January.. f/ If any, included in "Other countries". g/ No data available by countries.
Compiled from official sources.

UNITED STATES AGRICULTURAL EXPORT INDEX CLIMBS

The upward trend in United States farm exports, which began in August 1937, was just about as pronounced in January as in December. As a result, the quantity index of agricultural exports for the first 7 months of the current fiscal year was the highest in 4 years. It stood 31 percent above that of the corresponding period of last year. The index for the month of January alone was 60 percent above that of last year. Heavier exports of wheat, corn, and rice were largely responsible for the advance. The percentages of increase, together with the corresponding indexes, for the 7-month period were as follows:

<u>Month</u>	<u>1936-37</u>	<u>1937-38</u>	<u>Percentage increase</u>
July	39	37	-5
August	40	56	40
September	63	74	17
October	74	82	11
November	59	83	41
December	52	84	62
January	57	91	60

The 7-month index for wheat and flour was more than five times that of last year. The index for grains as a whole rose to 97 in comparison with 18 during the 1936-37 period. Even lard, with an index of 38, was much above the level of the 2 preceding years. Cotton was up 13 percent and unmanufactured tobacco nearly 9 percent. Exports of fruits and cured pork rose only nominally.

UNITED STATES: Index numbers of the volume of agricultural exports, adjusted for seasonal variations, January 1938, with comparisons (July 1909 - June 1914 = 100)

Commodity or commodity group	December		January		July-January average	
	1936	1937	1936	1937	1938	1936-37 1937-38
All Commodities.....	52	84	57	57	91	55 72
All commodities except cotton..	35	68	42	39	107	40 74
Cotton fiber, including linters	58	76	65	66	60	64 72
Tobacco, unmanufactures <u>a/</u>	109	159	134	115	144	115 125
Fruits.....	90	196	197	146	262	220 224
Wheat, including flour.....	19	99	16	21	131	18 73
Grains and grain products.....	17	117	18	19	198	18 97
Cured pork <u>b/</u>	10	17	11	7	11	13 14
Lard <u>c/</u>	20	48	20	16	41	23 38

Compiled from official records of the Bureau of Foreign and Domestic Commerce. a/ Includes stems, trimmings, etc. b/ Includes bacon, hams, shoulders, and sides. c/ Includes "neutral lard" beginning January 1938.

ARGENTINA: Tobacco area and production, by types, 1936-37

Type	Area harvested Acres	Production Pounds
<u>Dark air-cured:</u>		
Native Misionero.....	10,272	9,391,536
Native Correntino.....	5,424	6,349,248
Native Colorado.....	1,235	639,334
Cuerda (twist or rope).....	1,809	1,209,225
Total.....	18,740	17,589,401
<u>Light air-cured:</u>		
Native Salteno a/.....	1,819	2,061,081
Native Sierra.....	371	396,828
Maryland-seed types.....	395	705,472
Burley-seed types.....	96	66,133
Total.....	2,681	3,229,519
<u>Flue-cured:</u>		
Virginia-seed types.....	373	335,039
<u>Fire-cured:</u>		
Kentucky-seed types.....	998	1,056,003
<u>Cigar types:</u>		
Habano.....	148	99,207
Bahia b/.....	855	782,633
Total.....	1,003	881,840
Oriental and others.....	25	22,046
Total Argentina.....	23,820	23,113,908

Boletin Mensual, July 1937, Ministerio de Agricultura de la Republica Argentina. a/ Some of this type is flue-cured. b/ A cigar type, used principally for cigarettes in Argentina.

ARGENTINA: Tobacco area and production, 1931-32 to 1936-37

Type	Area planted Acres	Production Pounds
1931-32.....	36,647	28,953,012
1932-33.....	35,464	32,958,770
1933-34.....	29,360	22,301,734
1934-35.....	53,346	52,348,227
1935-36.....	38,515	33,563,330
1936-37.....	30,588	23,113,908

March 26, 1938

Foreign Crops and Markets

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COTTON: Price per pound of representative raw cotton at Liverpool,
March 18, 1938, with comparisons

Growth	1938							
	Jan.		February			March		
	28	4	11	18	25	4	11	18
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
American -								
Middling.....	10.05	10.30	10.50	10.81	10.90	10.72	10.55	10.53
Low Middling.....	8.48	8.73	8.93	9.24	9.33	9.15	8.99	8.98
Egyptian (Fully Good Fair) -								
Sakellaridis.....	17.20	17.38	17.30	17.87	17.94	17.97	17.58	17.26
Uppers.....	12.61	12.93	12.97	13.47	13.36	13.06	12.64	12.61
Brazilian (Fair) -								
Ceara.....	9.21	9.46	9.67	9.97	10.06	9.89	9.72	9.70
Sao Paulo.....	10.05	10.30	10.50	10.81	10.90	10.72	10.45	10.42
East Indian -								
Broach (Fully Good).....	8.21	8.46	8.68	8.84	8.91	8.67	8.47	8.38
C.P. Oomra No. 1, Superfine	8.78	9.02	9.25	9.41	9.47	9.24	9.03	8.94
Sind (Fully Good).....	7.80	8.04	8.20	8.27	8.11	7.94	7.74	7.66
Peruvian (Good) -								
Tanguis.....	14.22	14.47	14.69	15.00	15.08	14.90	14.72	-

Converted at current exchange rates.

UNITED STATES: Exports of cotton to principal foreign markets,
annual 1935-36 and 1936-37, and the season
August 1 - March 17, 1936-37 and 1937-38 a/
(Running bales)

Country to which exported	Year ended July 31		August 1 - March 17	
	1935-36	1936-37	1936-37	1937-38
	1,000 bales	1,000 bales	1,000 bales	1,000 bales
United Kingdom.....	1,466	1,220	982	1,426
Continental Europe.....	2,936	2,587	2,021	2,488
Total Europe.....	4,402	2,587	3,003	3,914
Japan.....	1,548	1,592	1,208	414
Other countries.....	333	380	254	415
Total.....	6,283	5,779	4,465	4,743
Linters.....	243	259	173	191
Total excluding linters	6,040	5,520	4,292	4,552

Compiled from the Weekly Stock and Movement Report, New York Cotton Exchange.
a/ Includes linters.

BUTTER: New Zealand grading, 1937-38, season to March 12,
with comparisons

Date	1934-35	1935-36	1936-37	1937-38
<u>Week ended</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>
August 1-December 25	160,564	159,292	162,339	162,315
January 1.....	8,400	10,416	12,208	9,520
8.....	8,456	9,688	11,592	10,136
15.....	8,116	9,520	9,184	9,408
22.....	7,616	9,738	11,872	8,848
29.....	6,944	9,296	9,632	8,020
Monthly total.....	39,532	48,658	54,488	45,932
February 5.....	6,272	9,134	10,136	8,120
12.....	5,656	8,798	9,520	8,064
19.....	5,999	8,848	8,960	7,616
26.....	6,216	8,064	8,624	8,400
Monthly total.....	24,143	34,844	37,240	32,200
March 5.....	6,328	7,784	8,064	7,672
12.....	6,160	7,952	8,002	7,952
Total to March 12...	236,727	258,530	270,133	256,071

Agricultural Attache C. C. Taylor, London.

BUTTER: Australian grading, 1937-38 season to February 26,
with comparisons

Date	1934-35	1935-36	1936-37	1937-38
<u>Week ended</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>
July 1 -November 27.	99,157	88,113	63,723	70,774
December 4.....	8,570	7,249	5,233	8,411
11.....	9,914	6,749	4,944	7,159
18.....	9,204	7,412	4,384	7,177
25.....	8,599	5,896	3,147	6,839
Monthly total.....	36,287	27,306	17,708	29,586
January 1.....	9,414	8,575	4,842	7,054
8.....	10,055	7,943	6,962	7,820
15.....	9,068	6,433	6,238	6,760
22.....	9,177	6,816	6,303	6,518
29.....	8,221	7,258	6,359	6,164
Monthly total.....	49,935	37,025	30,704	34,316
February 5.....	a/	7,101	5,761	6,559
12.....	a/	6,303	5,678	6,718
19.....	a/	6,196	5,032	6,471
26.....	a/	5,889	4,787	6,290
Monthly total.....	a/	25,489	21,258	26,038
Total to February 26	-	177,933	133,393	160,714

Weekly Dairy Produce Notes, Imperial Economic Committee. a/ Not available.

BUTTER: Prices per pound in New York, San Francisco, Copenhagen, and London, March 17, 1938, with comparisons

Market and description	Week ended		
	March 18,	March 10,	March 17,
	1937	1938	1938
	Cents	Cents	Cents
New York, 92 score.....	36.2	30.5	30.5
San Francisco, 92 score.....	39.0	29.5	30.0
Copenhagen, official quotation.....	22.4	22.0	21.8
London:			
Danish.....	27.9	27.8	27.5
New Zealand.....	21.5	26.5	26.5
Dutch.....	22.3	26.2	26.2

Foreign prices converted at current rates of exchange.

LIVESTOCK AND MEAT: Price per 100 pounds in specified European markets, March 16, 1938, with comparisons a/

Market and item	Week ended		
	March 17,	March 9,	March 16,
	1937	1938	1938
	Dollars	Dollars	Dollars
Germany:			
Price of hogs, Berlin.....	16.79	17.23	17.23
Price of lard, tcs., Hamburg.....	14.40	11.11	10.74
United Kingdom: b/			
Prices at Liverpool, first quality -			
American green bellies.....	16.80	15.99	15.66
Danish Wiltshire sides.....	19.69	22.78	22.47
Canadian green sides.....	17.55	19.57	19.36
American short cut green hams.....	20.49	20.36	20.21
American refined lard.....	14.97	11.78	11.48

Liverpool quotations are on the basis of sales from importer to wholesaler.

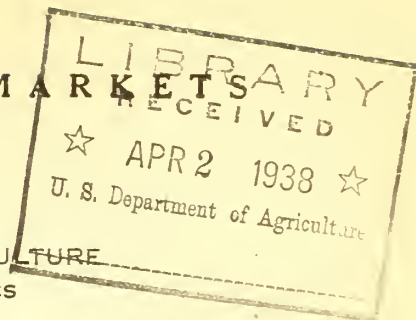
a/ Converted at current rate of exchange.

b/ Week ended Friday.

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FOREIGN CROPS AND MARKETS



ISSUED WEEKLY BY
UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
WASHINGTON, D. C.

AGRICULTURE IN THE CZECHOSLOVAK TRADE AGREEMENT

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Supplement to issue of
March 26, 1938

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AGRICULTURE IN THE CZECHOSLOVAK TRADE AGREEMENT

The trade agreement between the United States and Czechoslovakia, announced on March 7, 1938, is essentially one for the benefit of American agriculture. In 1936, the agricultural items on which Czechoslovakia has granted concessions constituted almost 60 percent of the value of all Czechoslovak imports from the United States.

Cotton, of course, looms large in the picture, and this item was bound free of duty. Important concessions in the form of duty reductions, larger quotas, and removal of certain restrictive aspects of import permits were also made on livestock products and fresh, dried, and canned fruits.

Among the most difficult obstacles encountered by our agricultural exports to Czechoslovakia have been the exchange-control and import-permit systems. Early in 1937, the exchange control was abolished. Under the agreement just concluded, the import-permit system has been retained; but assurance has been given the United States that in respect to agricultural products not under quota these permits will be issued freely and in accordance with the demand for the products in Czechoslovakia.

For a certain few agricultural products, Czechoslovakia has reserved the right to extend preferential treatment in respect to the imports of these products from the Danubian countries of Hungary, Yugoslavia, Rumania, Bulgaria, and Austria. The United States interest in these products, however, has been protected by the establishment of minimum quotas and an agreement as to our percentual share of the imports in any one year.

Czechoslovak concessions on United States agricultural products

Cotton

Cotton is by far the largest single item in our trade with Czechoslovakia. The agreement provides for its continued entry free of duty. In addition, cleaned cotton linters, which were formerly dutiable at 120 crowns per 100 kilograms (1.90 cents per pound) will be free of duty, provided they are not pressed. Pressed linters will be dutiable at 0.95 cent per pound or one-half the pre-agreement rate.

Fruits and vegetables

Fruits and vegetables are second in importance in our trade in agricultural products with Czechoslovakia.

Fresh apples: The Czechoslovak tariff has always favored the importation of apples in bulk or in sacks. The highest rate of duty has

applied to apples packed for table use. This affected particularly apples in boxes, which during the past several years have constituted all of our trade with Czechoslovakia in this product.

Under the agreement, Czechoslovakia has reduced the duty on apples in boxes for the period January 1 to June 30 each year from 80 crowns to 40 crowns per 100 kilograms (60.8 cents to 30.4 cents per bushel).

The duty on barreled apples was reduced from 30 crowns to 25 crowns per 100 kilograms (from 22.8 to 19.0 cents per bushel) for the period March 1 to June 30 and bound at 25 crowns for the period January 1 to the end of February. Reductions made in Czechoslovak treaties with other countries and now extended to the United States make the duty on barreled apples 25 crowns per 100 kilograms for the entire year except for July 1 to 14. Of particular importance is the removal of the embargo on American barreled apples, which has prevented their entry into Czechoslovakia during the past 3 years.

Since apples are supplied by the Danubian countries, Czechoslovakia was unable to permit the unlimited issuance of import licenses. The United States, however, is assured at least 14 percent of the annual imports of apples and a quota of not less than 4,500 metric tons (206,681 bushels).

Practically all Czechoslovak imports of boxed and barreled apples normally come from the United States. Reduction in the duty to a level more nearly comparable with the duty on apples in sacks and in bulk and granting the United States a percentual share of total imports of all kinds of apples should materially improve our trade in that product. It must be recognized, of course, that American apples in boxes are classed as a luxury product in Czechoslovakia, their price limiting their consumption to people in the higher-income groups.

Fresh pears: The duty on fresh pears for table use has been reduced from 80 crowns to 50 crowns per 100 kilograms (63.4 cents to 39.6 cents per bushel). In addition, Czechoslovakia has agreed not to impose any quantitative restrictions on fresh pears from the United States. Import permits will be required, but imports will be limited only by the demand.

The agreement also provides for a reduction in the phytopathological inspection fee on apples and pears from 2.10 crowns to 1.10 crowns per 100 kilograms (from 1.66 cents to 0.87 cent per 50-pound bushel).

Fresh grapefruit: The Czechoslovak duty on fresh grapefruit has been reduced from 30 crowns to 25 crowns per 100 kilograms (from 0.48 cent to 0.40 cent per pound). Import permits are not required for grapefruit.

Dried prunes: Prior to the agreement imports of dried prunes in barrels, cases, and sacks weighing less than 110 pounds each were dutiable at 48 crowns per 100 kilograms (0.73 cent per pound). Prunes in larger containers were duty-free, and those packed for retail sale were dutiable at 1,200 crowns per 100 kilograms, or about 19 cents per pound. Most of the imports from the United States have been in sacks weighing over 110 pounds and, therefore, duty-free. Under the agreement, the duty-free treatment of these so-called bulk prunes has been bound. The duty on prunes in barrels, cases, or sacks weighing less than 66 pounds each has been reduced to 40 crowns per 100 kilograms (0.63 cent per pound), and the duty on prunes packaged for retail sale has been reduced to the same level. No action was taken in respect to the duty on prunes in containers weighing between 66 and 110 pounds, as the United States does not supply any in this weight bracket.

Since prunes are one of the important items in Czechoslovakia's trade with Yugoslavia, the Czechoslovak Government has fostered imports from that country. Under the agreement, however, the extension of preference to imports from Yugoslavia has been distinctly limited. Not only do most of the American prunes enter duty-free, as do Yugoslav prunes, but the United States has been granted 30 percent of the annual imports of prunes into Czechoslovakia, or a minimum quota of 3,500 metric tons (7,716,100 pounds). This means that even in years of a large prune crop in Yugoslavia, the United States has the opportunity of selling to Czechoslovakia 30 percent of that country's imports of prunes, or 7,716,100 pounds, whichever is the greater. In years when the Yugoslav prune crop is short, Czechoslovak imports of prunes from the United States may materially exceed the amounts provided in the agreement. This is likely to be the case in 1938, as the Yugoslav crop last fall was a very poor one.

Raisins: Although the United States is the world's leading exporter of dried raisins, Czechoslovak imports of American raisins in recent years have shown a sharp decline because the import-permit system was used to encourage imports from Turkey and Greece. Under the agreement, the import duty on raisins not packed for retail sale has been reduced from 240 to 120 crowns per 100 kilograms (from 3.80 cents to 2.85 cents per pound). Of particular interest to American raisin producers, is the fact that import permits for United States raisins will be issued freely so that they will be on a strictly competitive basis with raisins from other countries. Furthermore, Czechoslovakia has reduced the duty on raisins packed for retail sale from 1,200 to 180 crowns per 100 kilograms (from 19 cents to 2.85 cents per pound).

Dried apples and pears: The agreement provides for the binding of duty-free treatment on dried apples and pears in bulk (not packed for retail sale). The duty on these products packed for retail sale has been reduced from 1,200 to 60 crowns per 100 kilograms (19 cents to 0.95 cent per pound).

Other dried fruit: This item includes dried apricots and mixed dried fruits, of which the United States is the world's leading exporter. The duty on "other dried fruit" in bulk has been reduced from 130 to 60 crowns per 100 kilograms (1.9 cents to 0.95 cent per pound). The duty on "other dried fruit" when packed for retail sale has been reduced from 1,200 to 60 crowns per 100 kilograms (19 cents to 0.95 cent per pound).

In addition to the above duty reductions, Czechoslovakia has increased the permissible sulphur-dioxide content of dried fruits to 2,000 milligrams per kilogram (0.2 percent). This should be of particular benefit to American dried-fruit interests, as the previous legal content was not sufficiently high to permit the arrival of fruit in proper condition.

Animal products

Lard: During the period 1929 to 1931, the United States supplied nearly 70 percent of the imports of lard into Czechoslovakia. These imports consisted principally of rendered lard, but also included a small amount of raw hog fat (fatbacks). Since that time, Czechoslovakia has increased its own hog production and has increased its imports from Danubian countries of live hogs and of raw hog fat. Furthermore, through the import-permit system the importation of American lard for a time was made dependent upon imports of equal quantities of lard from certain other countries, particularly Denmark and the Netherlands. As a result of the above practices and the high prices of American lard caused by short supplies, the United States furnished only 4 percent of Czechoslovak imports in 1935 and less than 10 percent in 1936.

Under the agreement, Czechoslovakia reserves the right to grant preferential quotas to Danubian countries. American interests are protected, however. The United States is assured a quota equal to 35 percent of Czechoslovak imports of both rendered lard and raw hog fat and a minimum of 5,600 metric tons (12,346,000 pounds) in any one year.

The import duty on lard was not changed, but assurance was given the United States that the present ratio between the duty on rendered lard and on raw hog fat would be maintained.

Bladders and casings: The present duty on bladders and casings (green or pickled) has been bound at the relatively low rate of 0.29 cent per pound.

Premier jus (oleo stock): The duty on this product was bound at the existing rate, equivalent to about 1.66 cents per pound. The United States was granted a quota of 80 metric tons (176,368 pounds), which is approximately twice the quantity of imports from the United States during any of the past 3 years.

Walnuts and pecans (unshelled)

Since 1933, Czechoslovak imports of American walnuts and pecans have shown a very rapid increase. The United States did not export these products to Czechoslovakia prior to 1933, but in 1935 and 1936 it became the principal supplier. Under the agreement, the import duty on pecans has been reduced from 90 to 60 crowns per 100 kilograms and on walnuts from 90 to 80 crowns per 100 kilograms. The new duties are equivalent to approximately 0.95 cent per pound on pecans and 1.27 cents per pound on walnuts. Furthermore, the Czechoslovak Government has agreed to permit unlimited imports of these products, although the formality of import permits is still required.

Canned (preserved) fruits and vegetables and their juices

This group includes a number of typical American products, Czechoslovak imports of which have been very small because of the high import duties in effect. The agreement provides for a reduction from 9.5 cents to 5 cents per pound on canned asparagus, from 9.5 to 3.15 cents per pound on canned vegetable juices, from 8.87 to 3.17 cents per pound on canned pineapple, from 8.87 to 5.7 cents per pound on other canned fruit, and from 19 to 3.17 cents per pound on fruit and berry juices, except raspberry, apple, and grape juices.

Wheat

Trade in wheat and wheat flour is subject to monopoly control in Czechoslovakia, but imports are still made through regular trade channels under a permit system. The Czechoslovak Government has agreed that import permits for wheat flour shall be drawn up in such a manner that the importer may exercise his permit to import the flour from whatever country he prefers. This places American wheat flour on a strictly competitive basis. Imports of wheat flour into Czechoslovakia are of the hard-wheat type and come largely from Canada and the United States. So long as our flour prices are on a competitive basis, therefore, we may expect to obtain a substantial share of the Czechoslovak market.

Tobacco

The Czechoslovak tobacco monopoly will, under the terms of the agreement, endeavor to increase its purchases of United States tobacco, especially of the cigarette type.

In the following table are shown the duty concessions granted by Czechoslovakia. The new rates will become effective within 30 days of the date the agreement was signed, provided the agreement is ratified by the Czechoslovak Parliament.

CZECHOSLOVAKIA: Duty concessions on United States agricultural products

Product	Czechoslovak currency: per 100 kilograms		Unit	United States currency a/	
	Prior to agreement	Agreement rate		Prior to agreement	Agreement rate
	Crowns	Crowns		Cents	Cents
Fresh apples:					
In boxes (Jan. 1 to June 30):	80	40	Bu.	60.84	30.42
In barrels (Jan. 1 to end of Feb.).....	25	Bound	"	19.01	Bound
In barrels (Mar. 1 to June 30).....	30	25	"	22.82	19.01
Fresh pears:					
(Sept. 1 to Mar. 31).....	80	50	"	63.38	39.61
Grapefruit.....	30	25	Lb.	0.48	0.40
Prunes (dried):					
In barrels, cases, or sacks weighing less than 30 kg gross (66 lb.).....	48	40	"	0.76	0.63
In barrels, cases, or sacks weighing over 50 kg gross (110 lb.).....	Free	Bound	"	Free	Bound
Packed for retail sale.....	1,200	40	"	19.01	0.63
Raisins:					
In bulk <u>b</u> /.....	240	180	"	3.80	2.85
Packed for retail sale.....	1,200	180	"	19.01	2.85
Apples and pears, dried:					
In bulk <u>b</u> /.....	Free	Bound	"	Free	Bound
Packed for retail sale.....	1,200	60	"	19.01	0.95
Other dried fruit:					
In bulk <u>b</u> /.....	120	60	"	1.90	0.95
Packed for retail sale.....	1,200	60	"	19.01	0.95
Pecans (unshelled).....	90	60	"	1.43	0.95
Walnuts (unshelled).....	90	30	"	1.43	1.27
Premier jus.....	105	Bound	"	1.66	Bound
Bladders and casings (green or pickled, net).....	18	Bound	"	0.29	Bound
Canned tomatoes and tomato sauces.....	320	Bound	"	5.07	Bound
Canned asparagus.....	600	320	"	9.51	5.07
Canned vegetable juices except tomato.....	600	200	"	9.51	3.17
Other canned vegetables and plant preparations prepared for kitchen use.....	600	420	"	9.51	6.65
Canned pineapple.....	560	200	"	8.87	3.17
Other canned fruit.....	560	360	"	8.87	5.70

Continued -

CZECHOSLOVAKIA: Duty concessions on United States agricultural products,
cont'd

Product	Czechoslovak currency per 100 kilograms		Unit	United States currency <u>a/</u>	
	Prior to agreement	Agreement rate		Prior to agreement	Agreement rate
	Crowns	Crowns		Cents	Cents
Fruit and berry juices (except raspberry, apple, and grape juice).....	1,200	200	Lb.	19.01	3.17
Cotton (raw).....	Free	Bound	"	Free	Bound
Cotton linters:					
Uncleaned.....	Free	Bound	"	Free	Bound
Cleaned.....	120	Free	"	1.00	Free
Pressed (whether cleaned or not).....	120	60	"	1.00	0.95
Cotton waste.....	Free	Bound	"	Free	Bound

a/ Converted at average rate of exchange for 1937.b/ "In bulk" refers to fruit packed in containers not designed for retail sale.CZECHOSLOVAKIA: Imports of specified United States agricultural products
(including shipments through Hamburg unless otherwise stated),
average 1929-1931, annual 1935-1937 a/

Product	Unit	Average 1929-1931	1935	1936	1937
Apples, fresh.....	Bushels	176,414	150,648	181,191	223,834
Pears, fresh.....	"	<u>b/</u>	529	926	<u>c/</u>
Prunes, dried.....	Pounds	5,760,620	3,968,741	5,677,464	9,369,550
Raisins.....	"	1,629,199	738,541	136,685	<u>c/</u>
Apples and pears, dried...	"	<u>d/</u>	97,002	55,115	<u>c/</u>
Other dried fruit.....	"	1,646,836	3,315,718	2,376,559	2,392,784
Pecans and walnuts.....	"	<u>e/</u>	1,071,436	725,513	<u>c/</u>
Fruits and fruit juices, canned, <u>e/</u>	"	<u>f/</u>	588,628	739,247	804,679
Vegetables and vegetable juices, canned, <u>e/</u>	"	<u>f/</u>	22,046	17,637	<u>c/</u>
Lard.....	"	33,126,320	753,973	2,746,932	2,385,996
Premier jus (oleo stock)...	"	<u>c/</u>	123,458	66,138	<u>c/</u>
Bladders and casings (green or pickled).....	"	643,743	714,290	322,316	1,232,985
Cotton, raw <u>g/</u>	Bales of 478 lb.	333,927	208,353	245,818	200,891
Cotton waste <u>e/</u>	Pounds	1,150,801	518,672	1,146,332	1,871,703

a/ Practically all of the imports through Hamburg are of United States origin.b/ Included under "apples, fresh." c/ Not available by country of origin.d/ Included under "other dried fruit." e/ Imports direct from United Statesonly. f/ Negligible. g/ Includes imports through Bremen.

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United States concessions on Czechoslovak agricultural products

Czechoslovakia is essentially an exporter of manufactured articles. The United States, therefore, made very few concessions on agricultural products in the agreement just concluded.

Hops: The United States has agreed to reduce the duty from 24 cents to 18 cents per pound on imported hops valued at 30 cents or more per pound. Practically all of the imported hops in this value bracket come from Czechoslovakia and usually wholesale in New York, duty paid, at 60 cents a pound or more. Czechoslovak hops are a high-quality, seedless product and are used primarily for blending purposes.

Cheese: The United States has reduced the duty on Bryndza cheese from 7 cents a pound or 35 percent ad valorem to 5 cents a pound or 25 percent ad valorem when packed in barrels, cases, or hogsheads of 200 pounds or more. Bryndza cheese is a specialty of Czechoslovakia made from sheep's milk. The duty reduction parallels action taken in respect to certain specialty cheeses in other trade agreements.

Concessions by both countries on industrial items

In addition to the concessions on agricultural items, the Czechoslovak Government extended improved treatment to certain United States industrial products, including automobiles, office machinery, electric refrigerators, and plows for tractors.

United States concessions on industrial products were more extensive. The 10 leading industrial items on which the United States reduced duties and the value of imports of those items from Czechoslovakia in 1937 are as follows: Cotton gloves (\$2,254,000), leather gloves (\$1,784,000), glassware (\$1,356,000), flax manufactures (\$1,236,000), imitations of precious stones (\$1,019,000), beaded handbags (\$998,000), linen napkins (\$902,000), linen table damask (\$855,000), cotton table damask (\$686,000), and buttons other than metal (\$575,000).

In respect to shoes, one of Czechoslovakia's principal exports, the United States agreed to bind the existing rate of duty on approximately 90 percent of the imports from Czechoslovakia and reduce the duty on the remainder. Imports of shoes from Czechoslovakia consist largely of the low-priced grades for women and girls.

An increase in United States imports from Czechoslovakia of the items on which duties were reduced should result in increasing Czechoslovakia's ability to buy from us. This increase in dollar exchange should in turn result in increased exports of United States agricultural products to Czechoslovakia.

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